

UNITED STATES DISTRICT COURT**NORTHERN DISTRICT OF CALIFORNIA*****SAN FRANCISCO DIVISION***

FILED
04 FEB 12 AM 9:59
U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

THE UNITED STATES OF AMERICA

vs.

CR 04 0044**VICTOR CONTE, JR., JAMES VALENTE,
GREG ANDERSON and REMI KORCHEMNY****SI****INDICTMENT**

21 U.S.C. §§ 846 and 841 (b)(1)(D) - Conspiracy to Distribute and Possess With Intent to Distribute Anabolic Steroids; 21 U.S.C. 841(b)(1)(D) - Possession With Intent To Distribute Anabolic Steroids; 18 U.S.C. § 371 and 21 U.S.C. §§ 331(a), 331(k), and 333(b)(2) - Conspiracy to Defraud the United States Through The Introduction and Delivery of Misbranded Drugs with Intent To Defraud and Mislead, And The Misbranding Of Drugs Held For Sale With Intent to Defraud And Mislead; 21 U.S.C. §§ 331(a) and 333(a)(2) - Introduction and Delivery of Misbranded Drugs With Intent To Defraud And Mislead; 21 U.S.C. §§ 331(k) and 333(a)(2) - Misbranding of Drugs Held For Sale With Intent To Defraud and Mislead; 21 U.S.C. § 333 (e)(1) - Possession With Intent To Distribute Human Growth Hormone; 18 U.S.C. § 1956(h) - Conspiracy To Launder Monetary Instruments; 18 U.S.C. § 1956(a)(1)(b)(i) - Money Laundering; 18 U.S.C. § 2 - Aiding and Abetting; 18 U.S.C. § 982 and 21 U.S.C. §§ 853 and 881 - Criminal Forfeiture

*A true bill.**RP McNeill*

*At Bail arrest warrants in issue states
entl 12:00 pm 2/13/04*

Filed in open court this 12th day of February A.D. 2004

Brenda Tolbert
Clerk

Bail. \$ _____

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURTBY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT
☐ SUPERSEDING**OFFENSE CHARGED**

SEE ATTACHED SHEET

☐ Petty
☐ Minor
☐ Misdemeanor
☒ Felony

PENALTY:

SEE ATTACHED SHEET

Name of District Court, and/or Judge/Magistrate Location
NORTHERN DISTRICT OF CALIFORNIA

DEFENDANT - U.S.

VICTOR CONTE, JR.

DISTRICT COURT NUMBER

CR 04 00044

DEFENDANT

SI**IS NOT IN CUSTODY**

- 1) ☒ Has not been arrested, pending outcome this proceeding.
If not detained give date any prior summons was served on above charges
- 2) ☐ Is a Fugitive
- 3) ☐ Is on Bail or Release from (show District)

IS IN CUSTODY

- 4) ☐ On this charge
- 5) ☐ On another conviction
- 6) ☐ Awaiting trial on other charges
- If answer to (6) is "Yes", show name of institution

Has detainer been filed?

☐ Yes
☐ No

If "Yes" give date filed

DATE OF ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY

Month/Day/Year

☐ This report amends AO 257 previously submitted**PROCEEDING**

Name of Complainant Agency, or Person (& Title, if any)

SA JEFF NOVITZKY, IRS

☐ person is awaiting trial in another Federal or State Court, give name of court☐ this person/proceeding is transferred from another district per (circle one) FRCrP 20, 21 or 40. Show District☒ this is a re-prosecution of charges previously dismissed which were dismissed on motion of:☐ U.S. Att'y ☐ Defense

SHOW DOCKET NO.

☐ this prosecution relates to a pending case involving this same defendant☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

MAGISTRATE CASE NO.

Name and Office of Person
Furnishing Information on
THIS FORM

KEVIN V. RYAN

☒ U.S. Att'y ☐ Other U.S. AgencyName of Asst. U.S. Att'y
(if assigned)

AUSA JEFF NEDROW

ADDITIONAL INFORMATION OR COMMENTS**PROCESS:**☐ SUMMONS ☐ NO PROCESS*☒ WARRANT

Bail Amount: NONE

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

Defendant Address:

*Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time:

Before Judge:

Comments:

PENALTY SHEET--UNITED STATES V. VICTOR CONTE ET AL

**Count One--Conspiracy to Possess Anabolic Steroids With Intent To Distribute
(21 U.S.C. Section 846)**

Defendants: Victor Conte, James Valente, Greg Anderson, Remi Korchemny

Penalties:

Maximum Five Years Imprisonment
\$250,000 fine
Maximum Two Years Supervised Release
\$100 special assessment fee

**Counts Two through Seven--Possession With Intent to Distribute Anabolic Steroids;
Aiding And Abetting (21 U.S.C. § 841(a)(1))**

**Defendants: Count 2: Victor Conte, James Valente, Remi Korchemny
Count 3: Victor Conte, James Valente, Greg Anderson
Count 4: Victor Conte, James Valente
Count 5: Victor Conte, James Valente, Remi Korchemny
Count 6: Victor Conte, James Valente, Greg Anderson
Count 7: Victor Conte, James Valente, Greg Anderson**

Penalties for each Count:

Maximum Five Years Imprisonment
\$250,000 fine
Maximum Two Years Supervised Release
\$100 special assessment fee

**Count Eight--Conspiracy to defraud the United States
(18 U.S.C. Section 371)**

Penalty:

Maximum Five Years Imprisonment
\$250,000 fine
Maximum Three Years Supervised Release
\$100 special assessment fee

Counts 32-35--Distribution and Possession with intent to distribute human growth hormone for unauthorized uses
(21 U.S.C. § 333(e)(1))

Defendants: Count 32: Victor Conte, James Valente
Count 33: Victor Conte, James Valente
Count 34: Greg Anderson
Count 35: Greg Anderson

Penalties for each count

Maximum Five Years Imprisonment
\$250,000 fine
Maximum Three Years Supervised Release
\$100 special assessment fee

Count 36
Conspiracy to Commit Money Laundering
(18 U.S.C. Section 1956(h))

Defendants: Conte, Valente, and Anderson

Penalty: Maximum 20 years imprisonment
\$500,000 fine
Maximum Five Years Supervised Release
\$100 special assessment fee

Counts 37-42--Money Laundering
(18 U.S.C. Section 1956(a)(1)(b)(i))

Penalty for each count:

Maximum 20 years imprisonment
\$500,000 fine
Maximum Five Years Supervised Release
\$100 special assessment fee

Criminal Forfeiture Allegations:

Forfeiture penalty:

Forfeiture of proceeds of drug trafficking and proceeds subject of money laundering conduct

**Counts Nine to Seventeen—Distributing in interstate commerce, with the intent to defraud and mislead, misbranded drugs
(21 U.S.C. Sections 331(a) and 333(a)(2))**

**Defendants: Count 9: Victor Conte, James Valente, Greg Anderson
Count 10: Victor Conte, James Valente
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Count 12: Victor Conte, James Valente, Greg Anderson
Count 13: Victor Conte, James Valente, Greg Anderson
Count 14: Victor Conte, James Valente, Greg Anderson
Count 15: Victor Conte, James Valente, Greg Anderson
Count 16: Victor Conte, James Valente
Count 17: Victor Conte, James Valente**

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Maximum One Year Supervised Release
\$100 special assessment fee

Counts Eighteen to Thirty-One—Misbranded drugs held for sale with intent to defraud and mislead (21 U.S.C. Sections 331(k) and 333(a)(2))

**Defendants: Count 18: Victor Conte, James Valente, Remi Korchemny
Count 19: Victor Conte, James Valente
Count 20: Victor Conte, James Valente, Remi Korchemny
Count 21: Victor Conte, James Valente, Remi Korchemny
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☒ Felony

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SA JEFF NOVITZKY, IRS

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DOCKET NO.MAGISTRATE
CASE NO.Name and Office of Person
Furnishing Information on
THIS FORM

KEVIN V. RYAN

☒ U.S. Att'y ☐ Other U.S. AgencyName of Asst. U.S. Att'y
(if assigned)

AUSA JEFF NEDROW

Name of District Court, and/or Judge/Magistrate Location
NORTHERN DISTRICT OF CALIFORNIA

DEFENDANT - U.S.

REMI KORCHEMNY

DISTRICT COURT NUMBER

CR 01 0044

SI

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IS NOT IN CUSTODY

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If answer to (6) is "Yes", show name of institution

Has detainer been filed? ☐ Yes ☐ No

If "Yes" give date filed

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DATE TRANSFERRED
TO U.S. CUSTODY☐ This report amends AO 257 previously submitted**ADDITIONAL INFORMATION OR COMMENTS****PROCESS:**☐ SUMMONS ☐ NO PROCESS* ☒ WARRANT Bail Amount: NONE

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Before Judge:

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Defendants: Count 9: Victor Conte, James Valente, Greg Anderson
Count 10: Victor Conte, James Valente
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Count 12: Victor Conte, James Valente, Greg Anderson
Count 13: Victor Conte, James Valente, Greg Anderson
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Count 15: Victor Conte, James Valente, Greg Anderson
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Count 17: Victor Conte, James Valente

Penalties for each count:

Maximum Three Years Imprisonment
\$250,000 fine
Maximum One Year Supervised Release
\$100 special assessment fee

Counts Eighteen to Thirty-One—Misbranded drugs held for sale with intent to defraud and mislead (21 U.S.C. Sections 331(k) and 333(a)(2))

Defendants: Count 18: Victor Conte, James Valente, Remi Korchemny
Count 19: Victor Conte, James Valente
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Count 29: Greg Anderson
Count 30: Victor Conte, James Valente, Remi Korchemny
Count 31: Victor Conte, James Valente, Greg Anderson

Penalties for each count:

Maximum Three Years Imprisonment
\$250,000 fine
Maximum One Year Supervised Release
\$100 special assessment fee

Counts 32-35--Distribution and Possession with intent to distribute human growth hormone for unauthorized uses
(21 U.S.C. § 333(e)(1))

Defendants: Count 32: Victor Conte, James Valente
Count 33: Victor Conte, James Valente
Count 34: Greg Anderson
Count 35: Greg Anderson

Penalties for each count

Maximum Five Years Imprisonment
\$250,000 fine
Maximum Three Years Supervised Release
\$100 special assessment fee

Count 36
Conspiracy to Commit Money Laundering
(18 U.S.C. Section 1956(h))

Defendants: Conte, Valente, and Anderson

Penalty: Maximum 20 years imprisonment
\$500,000 fine
Maximum Five Years Supervised Release
\$100 special assessment fee

Counts 37-42--Money Laundering
(18 U.S.C. Section 1956(a)(1)(b)(i))

Penalty for each count:

Maximum 20 years imprisonment
\$500,000 fine
Maximum Five Years Supervised Release
\$100 special assessment fee

Criminal Forfeiture Allegations:

Forfeiture penalty:

Forfeiture of proceeds of drug trafficking and proceeds subject of money laundering conduct

PENALTY SHEET--UNITED STATES V. VICTOR CONTE ET AL

**Count One--Conspiracy to Possess Anabolic Steroids With Intent To Distribute
(21 U.S.C. Section 846)**

Defendants: Victor Conte, James Valente, Greg Anderson, Remi Korchemny

Penalties:

Maximum Five Years Imprisonment
\$250,000 fine
Maximum Two Years Supervised Release
\$100 special assessment fee

**Counts Two through Seven--Possession With Intent to Distribute Anabolic Steroids;
Aiding And Abetting (21 U.S.C. § 841(a)(1))**

**Defendants: Count 2: Victor Conte, James Valente, Remi Korchemny
Count 3: Victor Conte, James Valente, Greg Anderson
Count 4: Victor Conte, James Valente
Count 5: Victor Conte, James Valente, Remi Korchemny
Count 6: Victor Conte, James Valente, Greg Anderson
Count 7: Victor Conte, James Valente, Greg Anderson**

Penalties for each Count:

Maximum Five Years Imprisonment
\$250,000 fine
Maximum Two Years Supervised Release
\$100 special assessment fee

**Count Eight--Conspiracy to defraud the United States
(18 U.S.C. Section 371)**

Penalty:

Maximum Five Years Imprisonment
\$250,000 fine
Maximum Three Years Supervised Release
\$100 special assessment fee

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT
 BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT
☐ SUPERSEDING
OFFENSE CHARGED

SEE ATTACHED SHEET

☐ Petty
☐ Minor
☐ Misdemeanor
☒ Felony
PENALTY:

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SA JEFF NOVITZKY, IRS

☐ person is awaiting trial in another Federal or State Court, give name of court

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SHOW
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CASE NO.
 Name and Office of Person
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 THIS FORM

KEVIN V. RYAN

☒ U.S. Att'y ☐ Other U.S. Agency

 Name of Asst. U.S. Att'y
 (if assigned)

AUSA JEFF NEDROW

 Name of District Court, and/or Judge/Magistrate Location
 NORTHERN DISTRICT OF CALIFORNIA

DEFENDANT - U.S.

JAMES VALENTE

DISTRICT COURT NUMBER

CR 04 0044

DEFENDANT**IS NOT IN CUSTODY**

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- If answer to (6) is "Yes", show name of institution

 Has detainer
 been filed?

☐ Yes
☐ No

 If "Yes"
 give date
 filed

**DATE OF
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Month/Day/Year

Or... if Arresting Agency & Warrant were not

Month/Day/Year

**DATE TRANSFERRED
 TO U.S. CUSTODY**
☐ This report amends AO 257 previously submitted
ADDITIONAL INFORMATION OR COMMENTS**PROCESS:**
☐ SUMMONS ☐ NO PROCESS*

☒ WARRANT Ball Amount: NONE

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Defendant Address:

 *Where defendant previously apprehended on complaint, no new summons
 or warrant needed, since Magistrate has scheduled arraignment

Date/Time:

Before Judge:

Comments:

**Counts Nine to Seventeen—Distributing in interstate commerce, with the intent to defraud and mislead, misbranded drugs
(21 U.S.C. Sections 331(a) and 333(a)(2))**

Defendants: Count 9: Victor Conte, James Valente, Greg Anderson
Count 10: Victor Conte, James Valente
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Count 13: Victor Conte, James Valente, Greg Anderson
Count 14: Victor Conte, James Valente, Greg Anderson
Count 15: Victor Conte, James Valente, Greg Anderson
Count 16: Victor Conte, James Valente
Count 17: Victor Conte, James Valente

Penalties for each count:

Maximum Three Years Imprisonment
\$250,000 fine
Maximum One Year Supervised Release
\$100 special assessment fee

Counts Eighteen to Thirty-One—Misbranded drugs held for sale with intent to defraud and mislead (21 U.S.C. Sections 331(k) and 333(a)(2))

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Penalties for each count:

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PENALTY SHEET-UNITED STATES V. VICTOR CONTE ET AL

**Count One-Conspiracy to Possess Anabolic Steroids With Intent To Distribute
(21 U.S.C. Section 846)**

Defendants: Victor Conte, James Valente, Greg Anderson, Remi Korchemny

Penalties:

Maximum Five Years Imprisonment
\$250,000 fine
Maximum Two Years Supervised Release
\$100 special assessment fee

**Counts Two through Seven--Possession With Intent to Distribute Anabolic Steroids;
Aiding And Abetting (21 U.S.C. § 841(a)(1))**

**Defendants: Count 2: Victor Conte, James Valente, Remi Korchemny
Count 3: Victor Conte, James Valente, Greg Anderson
Count 4: Victor Conte, James Valente
Count 5: Victor Conte, James Valente, Remi Korchemny
Count 6: Victor Conte, James Valente, Greg Anderson
Count 7: Victor Conte, James Valente, Greg Anderson**

Penalties for each Count:

Maximum Five Years Imprisonment
\$250,000 fine
Maximum Two Years Supervised Release
\$100 special assessment fee

**Count Eight--Conspiracy to defraud the United States
(18 U.S.C. Section 371)**

Penalty:

Maximum Five Years Imprisonment
\$250,000 fine
Maximum Three Years Supervised Release
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Counts 32-35—Distribution and Possession with intent to distribute human growth hormone for unauthorized uses
(21 U.S.C. § 333(e)(1))

Defendants: Count 32: Victor Conte, James Valente
Count 33: Victor Conte, James Valente
Count 34: Greg Anderson
Count 35: Greg Anderson

Penalties for each count

Maximum Five Years Imprisonment
\$250,000 fine
Maximum Three Years Supervised Release
\$100 special assessment fee

Count 36
Conspiracy to Commit Money Laundering
(18 U.S.C. Section 1956(h))

Defendants: Conte, Valente, and Anderson

Penalty: Maximum 20 years imprisonment
\$500,000 fine
Maximum Five Years Supervised Release
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Counts 37-42—Money Laundering
(18 U.S.C. Section 1956(a)(1)(b)(i))

Penalty for each count:

Maximum 20 years imprisonment
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Maximum Five Years Supervised Release
\$100 special assessment fee

Criminal Forfeiture Allegations:

Forfeiture penalty:

Forfeiture of proceeds of drug trafficking and proceeds subject of money laundering conduct

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MAGISTRATE CASE NO.

 Name and Office of Person
 Furnishing Information on
 THIS FORM

KEVIN V. RYAN

☒ U.S. Att'y ☐ Other U.S. Agency

 Name of Asst. U.S. Att'y
 (if assigned)

AUSA JEFF NEDROW

 Name of District Court, and/or Judge/Magistrate Location
 NORTHERN DISTRICT OF CALIFORNIA

DEFENDANT - U.S.

GREG ANDERSON

DISTRICT COURT NUMBER

DEFENDANT

IS NOT IN CUSTODY

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**Counts Nine to Seventeen—Distributing in interstate commerce, with the intent to defraud and mislead, misbranded drugs
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PENALTY SHEET-UNITED STATES V. VICTOR CONTE ET AL

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(18 U.S.C. Section 1956(a)(1)(b)(i))

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Criminal Forfeiture Allegations:

Forfeiture penalty:

Forfeiture of proceeds of drug trafficking and proceeds subject of money laundering conduct

FILED
04 FEB 12 AM 10:05
RICHARD W. VICK
U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

KEVIN V. RYAN (CSBN 118321)
United States Attorney

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

SI

UNITED STATES OF AMERICA,

Plaintiff,

v.

VICTOR CONTE, JR.,
JAMES VALENTE,
GREG ANDERSON, and
REMI KORCHEMNY,

Defendants.

CR 04 0044

VIOLATIONS: 21 U.S.C. §§ 846 and 841(b)(1)(D)--Conspiracy to Distribute and Possess With Intent to Distribute Anabolic Steroids; 21 U.S.C. §§ 841(a)(1) and (b)(1)(D)--Possession With Intent To Distribute Anabolic Steroids; 18 U.S.C. § 371 and 21 U.S.C. §§ 331(a), 331(k), and 333(a)(2)--Conspiracy to Defraud the United States Through The Introduction and Delivery of Misbranded Drugs With Intent To Defraud and Mislead, And The Misbranding Of Drugs Held For Sale With Intent To Defraud And Mislead; 21 U.S.C. §§ 331(a) and 333(a)(2)--Introduction and Delivery of Misbranded Drugs With Intent To Defraud And Mislead; 21 U.S.C. §§ 331(k) and 333(a)(2)--Misbranding Of Drugs Held For Sale With Intent To Defraud And Mislead; 21 U.S.C. § 333(e)(1)--Possession With Intent To Distribute Human Growth Hormone; 18 U.S.C. § 1956(h)--Conspiracy To Launder Monetary Instruments; 18 U.S.C. § 1956(a)(1)(b)(i)--Money Laundering; 18 U.S.C. § 2--Aiding and Abetting and Willfully Causing; 18 U.S.C. § 982 and 21 U.S.C. §§ 853 and 881--Criminal Forfeiture

SAN FRANCISCO VENUE

INDICTMENT

INDICTMENT

1 The Grand Jury charges:

2 INTRODUCTORY ALLEGATIONS

3 At all times relevant to this Indictment:

4 1. The Bay Area Lab Co-Operative ("Balco") was a blood-testing laboratory located in
5 Burlingame, California.

6 2. SNAC System, Incorporated ("SNAC") was a nutritional supplement company
7 operated by Victor Conte, Jr. out of Balco's office space in Burlingame, California.

8 3. Defendant Victor Conte, Jr. ("Conte") was the president and chief executive officer of
9 Balco. While operating Balco, Conte and others conspired to distribute performance-enhancing
10 drugs, including anabolic steroids, human growth hormone ("HGH"), erythropoietin ("EPO"),
11 modafinil, and various other prescription drugs, to dozens of professional athletes.

12 4. Defendant James Valente ("Valente") was the vice-president of Balco. In his role as
13 vice-president, Valente aided Conte in the distribution of performance-enhancing drugs to
14 professional athletes.

15 5. Defendant Greg Anderson ("Anderson") was a personal trainer in the Burlingame area
16 who purchased performance-enhancing drugs from Balco and distributed them to professional
17 athletes.

18 6. Defendant Remi Korchemny ("Korchemny") was a track coach working in the San
19 Francisco Bay Area who acquired performance-enhancing drugs from Conte and provided them
20 to track athletes.

21 7. Under the Federal Food, Drug, and Cosmetic Act (FDCA), drugs were defined as
22 articles intended for use in the cure, mitigation, treatment, or prevention of disease in man (21
23 U.S.C. §321(g)(1)(B)); articles intended to affect the structure or function of the body of man (21
24 U.S.C. §321(g)(1)(C)); and articles intended for use as components of other drugs (21 U.S.C.
25 § 321(g)(1)(D)). A drug intended for use in man which, because of its toxicity, or other
26 potentiality for harmful effect, or the method of its use, or the collateral measures necessary to its
27 use, was not safe for use except under the supervision of a practitioner licensed by law to
28 administer such drug; and a drug which was limited by an approved application under 21 U.S.C.

1 § 355 to use under the professional supervision of a practitioner licensed by law to administer
2 such drug, could only be dispensed by a practitioner licensed by law pursuant to a lawful
3 prescription. 21 U.S.C. § 353(b)(1). These drugs were commonly known as "prescription
4 drugs."

5 8. Under the FDCA, every person upon first engaging in the manufacture, preparation,
6 propagation, compounding, or processing of drugs in any establishment he or she owned or
7 operated was required to immediately register his or her name, places of business, and all such
8 establishments. 21 U.S.C. § 360(c). The terms "manufacture, preparation, propagation,
9 compounding, or processing" included repackaging or otherwise changing the container,
10 wrapper, or labeling of any drug in furtherance of the distribution of the drug from the original
11 place of manufacture to the person who makes the final sale to the ultimate consumer or user. 21
12 U.S.C. § 360(a)(1).

13 9. The term "labeling" was defined as all labels and other printed or graphic matter upon
14 any article or any of its containers or wrappers, or accompanying such article. 21 U.S.C.
15 § 321(m).

16 10. A drug was misbranded if, among other things:

- 17 a. its labeling was false or misleading in any particular (21 U.S.C. 352(a));
18 b. the drug was in package form and did not bear a label containing the name and
19 place of business of the manufacturer, packer, or distributor (21 U.S.C. § 352(b));
20 c. the labeling on the drug did not bear adequate directions for use (21 U.S.C. §
21 352(f)(1));
22 d. the labeling on the drug did not bear such adequate warnings against use in
23 those pathological conditions, and by children where its use may be dangerous to
24 health, and against unsafe dosage and methods and duration of administration and
25 application, in such manner and form, as were necessary for the protection of
26 users (21 U.S.C. § 352(f)(2));
27 e. the drug was dangerous to health when used in the dosage and manner and with
28 the frequency and duration prescribed, recommended, and suggested in the

1 labeling thereof (21 U.S.C. § 352(j)); or

2 f. the drug was a prescription drug dispensed without a prescription (21 U.S.C.
3 § 353(b)(1)).

4 11. The term "human growth hormone" meant somatrem, somatropin, or an analogue of
5 either somatrem or somatropin. 21 U.S.C. § 333(e)(4). Somatropin was a synthetic or naturally
6 occurring growth hormone from the human pituitary gland. Somatrem was an analogue of
7 somatropin.

8 12. The term "anabolic steroid" meant any drug or hormonal substance, chemically and
9 pharmacologically related to testosterone (other than estrogens, progestins, and corticosteroids)
10 that promoted muscle growth, and included testosterone and nandrolone and their analogues. 21
11 U.S.C. § 802(41)(A).

12 COUNT ONE: (21 U.S.C. §§ 846 and 841(b)(1)(D) -- Conspiracy to Distribute and Possess
13 With Intent To Distribute Anabolic Steroids)

14 13. Paragraphs One Through Twelve are hereby realleged and incorporated by reference
15 as if set forth in full herein.

16 14. On or about and between December 1, 2001, and September 3, 2003, in San Mateo
17 County, in the Northern District of California, and elsewhere, the defendants

18 VICTOR CONTE, JR.,
19 JAMES VALENTE,
GREG ANDERSON, and
REMI KORCHEMNY,

20 and others known and unknown to the Grand Jury, did knowingly and intentionally conspire to
21 distribute and possess with intent to distribute a Schedule III controlled substance, to wit: the
22 anabolic steroid testosterone, in violation of Title 21, United States Code Sections 841(a)(1) and
23 841(b)(1)(D).

24 OVERT ACTS IN FURTHERANCE OF THE CONSPIRACY

25 15. In furtherance of the conspiracy and to attain its ends, the defendants committed the
26 following overt acts, among others, in the Northern District of California and elsewhere:

27 a. On or about December 1, 2001, in San Mateo County, defendants Conte,
28 Valente and Korchemny distributed the anabolic steroid testosterone to a track and field athlete.

b. On or about February 1, 2002, in San Mateo County, defendants Conte, Valente and Anderson distributed the anabolic steroid testosterone to a professional baseball player.

c. On or about April 1, 2002, in San Mateo County, defendants Conte and Valente distributed the anabolic steroid testosterone to a professional football player.

d. On or about September 1, 2002, in San Mateo County, defendants Conte, Valente and Korchemny distributed the anabolic steroid testosterone to a track and field athlete.

e. On or about January 1, 2003, in San Mateo County, defendants Conte, Valente and Anderson distributed the anabolic steroid testosterone to a professional baseball player.

f. On or about June 1, 2003, in San Mateo County, defendants Conte and Valente distributed the anabolic steroid testosterone to a professional football player.

All in violation of Title 21, United States Code, Section 846.

COUNT TWO: (21 U.S.C. §§ 841(a)(1) and (b)(1)(D); 18 U.S.C. § 2--Possession With Intent To Distribute Anabolic Steroids; Aiding and Abetting)

16. On or about December 1, 2001, in San Mateo County, in the Northern District of California, the defendants

VICTOR CONTE,
JAMES VALENTE, and
REMI KORCHEMNY

did knowingly and intentionally possess with intent to distribute a Schedule III controlled substance, to wit: the anabolic steroid testosterone, in violation of Title 21, United States Code, Sections 841(a)(1) and (b)(1)(D) and Title 18, United States Code, Section 2.

COUNT THREE: (21 U.S.C. §§ 841(a)(1) and (b)(1)(D); 18 U.S.C. § 2--Possession With Intent To Distribute Anabolic Steroids; Aiding and Abetting)

17. On or about February 1, 2002, in San Mateo County, in the Northern District of California, the defendants

VICTOR CONTE, JR.,
JAMES VALENTE, and
GREG ANDERSON

did knowingly and intentionally possess with intent to distribute a Schedule III controlled substance, to wit: the anabolic steroid testosterone, in violation of Title 21, United States Code,

Sections 841(a)(1) and (b)(1)(D) and Title 18, United States Code, Section 2.

COUNT FOUR: (21 U.S.C. §§ 841(a)(1) and (b)(1)(D); 18 U.S.C. § 2--Possession With Intent To Distribute Anabolic Steroids; Aiding and Abetting)

18. On or about April 1, 2002, in San Mateo County, in the Northern District of California, the defendants

VICTOR CONTE, JR., and
JAMES VALENTE

did knowingly and intentionally possess with intent to distribute a Schedule III controlled substance, to wit: the anabolic steroid testosterone, in violation of Title 21, United States Code, Sections 841(a)(1) and (b)(1)(D) and Title 18, United States Code, Section 2.

COUNT FIVE: (21 U.S.C. §§ 841(a)(1) and (b)(1)(D); 18 U.S.C. § 2--Possession With Intent To Distribute Anabolic Steroids; Aiding and Abetting)

19. On or about September 1, 2002, in San Mateo County, in the Northern District of California, the defendants

VICTOR CONTE, JR.,
JAMES VALENTE, and
REMI KORCHEMNY

did knowingly and intentionally possess with intent to distribute a Schedule III controlled substance, to wit: the anabolic steroid testosterone, in violation of Title 21, United States Code, Sections 841(a)(1) and (b)(1)(D) and Title 18, United States Code, Section 2.

COUNT SIX: (21 U.S.C. §§ 841(a)(1) and (b)(1)(D); 18 U.S.C. § 2--Possession With Intent To Distribute Anabolic Steroids; Aiding and Abetting)

20. On or about January 1, 2003, in San Mateo County, in the Northern District of California, the defendants

VICTOR CONTE, JR.,
JAMES VALENTE, and
GREG ANDERSON

did knowingly and intentionally possess with intent to distribute a Schedule III controlled substance, to wit: the anabolic steroid testosterone, in violation of Title 21, United States Code, Sections 841(a)(1) and (b)(1)(D) and Title 18, United States Code, Section 2.

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1 COUNT SEVEN: (21 U.S.C. §§ 841(a)(1) and (b)(1)(D); 18 U.S.C. § 2--Possession With Intent
2 To Distribute Anabolic Steroids; Aiding and Abetting)

3 21. On or about June 1, 2003, in San Mateo County, in the Northern District of
4 California, the defendants

5 VICTOR CONTE, JR.,
6 JAMES VALENTE, and
7 GREG ANDERSON

8 did knowingly and intentionally possess with intent to distribute a Schedule III controlled
9 substance, to wit: the anabolic steroid testosterone, in violation of Title 21, United States Code,
10 Sections 841(a)(1) and (b)(1)(D) and Title 18, United States Code, Section 2.

11 COUNT EIGHT: (18 U.S.C. § 371--Conspiracy To Defraud The United States)

12 22. Paragraphs One Through Twelve are hereby realleged and incorporated by reference
13 as if set forth in full herein.

14 CONSPIRACY TO DEFRAUD

15 23. On or about and between September 1, 2000, and September 3, 2003, in San Mateo
16 County, in the Northern District of California, and elsewhere, the defendants

17 VICTOR CONTE, JR.,
18 JAMES VALENTE,
19 GREG ANDERSON, and
20 REMI KORCHEMNY,

21 and others known and unknown to the Grand Jury, did knowingly and intentionally conspire to
22 defraud the United States, that is the defendants conspired to:

- 23 a. introduce and deliver for introduction into interstate commerce, with the intent
24 to defraud and mislead, misbranded drugs, in violation of Title 21, United
25 States Code, Sections 331(a) and 333(a)(2); and
26 b. misbrand a drug while it was held for sale, after receiving it in interstate
27 commerce, with the intent to defraud and mislead in violation of Title 21,
28 United States Code, Sections 331(k) and 333(a)(2).

29 MANNER AND MEANS OF THE CONSPIRACY

30 24. It was part of the conspiracy to defraud that defendants Conte, Valente, Anderson,
31 and Korchemny knowingly distributed to professional athletes an anabolic steroid in the form of
32 a testosterone-based cream, a/k/a "The Cream," without adequate directions regarding its use in
33 its labeling. The anabolic steroid had been mixed with an epitestosterone cream prior to its

1 distribution to athletes specifically with the intention of balancing the user's
2 testosterone/epitestosterone ratio, thus concealing the individual athlete's elevated testosterone
3 level from drug testing.

4 25. It was further part of the conspiracy to defraud that defendants Conte, Valente,
5 Anderson, and Korchemny knowingly distributed to athletes a liquid drug "The Clear," a/k/a
6 tetrahydrogestrinone, a/k/a "THG," without adequate directions regarding its use in its labeling,
7 and recommended the substance to athletes as a "designer steroid," or "steroid-like derivative,"
8 which would provide "steroid-like" effects without causing the athlete to test positive for
9 steroids.

10 26. It was further part of the conspiracy to defraud that defendants Conte, Valente,
11 Anderson, and Korchemny knowingly distributed to athletes a prescription drug, human growth
12 hormone a/k/a "HGH", without a valid prescription and for a purpose other than treatment of a
13 disease or recognized medical condition for which its use had been authorized by the Secretary of
14 the Department of Health and Human Services.

15 27. It was further part of the conspiracy to defraud that defendants Conte, Valente, and
16 Korchemny knowingly dispensed to athletes a prescription drug, erythropoietin a/k/a/ "EPO"
17 without a valid prescription and for the purpose of affecting the function of the body, to wit:
18 increasing the red cell count in the bloodstream.

19 28. It was further a part of the conspiracy to defraud that defendants Conte, Valente, and
20 Korchemny knowingly dispensed to athletes the prescription drug modafinil without a valid
21 prescription and for the purpose of affecting the function of the body, to wit: increasing
22 wakefulness and the ability to focus and think clearly.

23 29. It was further a part of the conspiracy to defraud that in connection with the
24 distribution and dispensing of drugs described in paragraphs 24-28 above, the defendants Conte,
25 Valente, Anderson, and Korchemny attempted to conceal their illegal activities from the Food
26 and Drug Administration and law enforcement through the following techniques:

- 27 a. using false names on the mailing labels of packages containing drugs;
28 b. trafficking specifically in drugs which were either designed to avoid
detection as controlled substances or substances for which no accurate testing

1 procedure existed;

2 c. referring to drugs in correspondence and conversation by shorthand
3 abbreviations and codes, such as "The Cream," "C," "The Clear," "Liquid,"
4 "L," "G," "E," "P," and "Vitamin S;"

5 d. dispensing "The Cream" and "The Clear" in plain unlabeled plastic bottles
6 without any directions for the use of the product, or information on the nature
7 of the substance;

8 e. informing the athletes receiving the substances of the need to be careful
9 and secretive regarding their use of the drugs;

10 f. providing athletes with false cover stories regarding the nature of the drugs
11 to provide to authorities; and

12 g. entering into agreements with athletes by which athletes provided
13 endorsements for ZMA, a nutritional supplement sold by Conte, in exchange
14 for drugs, thus disguising a portion of the proceeds otherwise traceable to
15 Conte.

16 OVERT ACTS IN FURTHERANCE OF THE CONSPIRACY

17 30. In furtherance of the conspiracy and to attain its ends, the defendants committed the
18 following overt acts, among others, in the Northern District of California and elsewhere:

19 a. On or about April 23, 2001, in San Mateo County, defendants Conte, Valente,
20 and Korchemny distributed "Clear," "HGH," and "EPO" to a track and field athlete without a
21 valid prescription from a licensed practitioner.

22 b. On or about July 23, 2001, in San Mateo County, defendants Conte, Valente,
23 and Korchemny distributed "Clear," "HGH," and "EPO" to a professional track and field athlete
24 without a valid prescription from a licensed practitioner.

25 c. On or about November 5, 2001, in San Mateo County, defendant Anderson
26 distributed "HGH" to a professional baseball player without a valid prescription from a licensed
27 practitioner.

28 d. On or about December 1, 2001, in San Mateo County, defendants Conte,
Valente, and Korchemny distributed "Cream" and "Clear" to a track and field athlete without a
valid prescription from a licensed practitioner.

e. On or about February 1, 2002, in San Mateo County, defendants Conte,
Valente, and Anderson distributed "Cream" to a professional baseball player without a valid
prescription from a licensed practitioner.

1 f. On or about April 1, 2002, in San Mateo County, defendants Conte and
2 Valente distributed "Cream" to a professional football player without a valid prescription from a
3 licensed practitioner.

4 g. On or about June 11, 2002, in San Mateo County, defendants Conte, Valente,
5 and Korchemny distributed modafinil to a track and field athlete without a valid prescription from
6 a licensed practitioner.

7 h. On or about July 13, 2002, in San Mateo County, defendants Conte, Valente,
8 and Anderson distributed "Clear" to a professional baseball player without a valid prescription
9 from a licensed practitioner.

10 i. On or about September 1, 2002, in San Mateo County, defendants Conte and
11 Korchemny distributed "Cream" to a track and field athlete without a valid prescription from a
12 licensed practitioner.

13 j. On or about November 25, 2002, in San Mateo County, defendant Anderson
14 distributed "HGH" to a professional baseball player without a valid prescription from a licensed
15 practitioner.

16 k. On or about January 1, 2003, in San Mateo County, defendants Conte, Valente,
17 and Anderson distributed "Cream" and "Clear" to a professional baseball player without a valid
18 prescription from a licensed practitioner.

19 l. On or about January 24, 2003, in San Mateo County, defendants Conte,
20 Valente, and Anderson distributed "Clear" to a professional baseball player without a valid
21 prescription from a licensed practitioner.

22 m. On or about March 5, 2003, in San Mateo County, defendants Conte, Valente,
23 and Anderson distributed "Clear" to a professional football player without a valid prescription
24 from a licensed practitioner.

25 n. On or about June 1, 2003, in San Mateo County, defendants Conte and
26 Korchemny distributed "EPO" to a track and field athlete without a valid prescription from a
27 licensed practitioner.

28 o. On or about June 1, 2003, in San Mateo County, defendants Conte and Valente

distributed "Cream" to a professional football player without a valid prescription from a licensed practitioner.

p. On or about July 3, 2003, in San Mateo County, defendants Conte and Valente distributed "Clear" and modafinil to a track and field athlete without a valid prescription from a licensed practitioner.

All in violation of Title 18, United States Code, Section 371.

COUNT NINE: (21 U.S.C. §§ 331(a) and 333(a)(2); 18 U.S.C. § 2-- Introduction/Delivery for Introduction of Misbranded Drugs With Intent To Defraud And Mislead; Aiding and Abetting)

31. On or about February 1, 2002, in San Mateo County, in the Northern District of California, the defendants

VICTOR CONTE, JR.,
JAMES VALENTE, and
GREG ANDERSON

did, with the intent to defraud and mislead, introduce and deliver for introduction into interstate commerce a drug they described as "The Cream," an anabolic steroid in the form of a testosterone-based cream, which was misbranded:

- a) as defined in 21 U.S.C. § 352(b), in that the drug was in package form and did not bear a label containing the name and place of business of the manufacturer, packer, or distributor; and
- b) as defined in 21 U.S.C. § 352(f), in that its labeling failed to bear adequate directions for use, and also failed to bear adequate warnings against its use in those pathological conditions or by children whereby its use might be dangerous to health, or against unsafe dosage or methods or duration of administration or application.

All in violation of Title 21, United States Code, Sections 331(a) and 333(a)(2), and Title 18, United States Code, Section 2.

COUNT TEN: (21 U.S.C. §§ 331(a) and 333(a)(2); 18 U.S.C. § 2--Introduction/Delivery for Introduction of Misbranded Drugs With Intent To Defraud And Mislead; Aiding and Abetting)

32. On or about April 1, 2002, in San Mateo County, in the Northern District of California, the defendants

VICTOR CONTE, JR., and
JAMES VALENTE

did, with the intent to defraud and mislead, introduce and deliver for introduction into interstate

1 commerce a drug they described as "The Cream," an anabolic steroid in the form of a
 2 testosterone-based cream, which was misbranded:

- 3 a) as defined in 21 U.S.C. § 352(b), in that the drug was in package form and
 4 did not bear a label containing the name and place of business of the
 manufacturer, packer, or distributor; and
- 5 b) as defined in 21 U.S.C. § 352(f), in that its labeling failed to bear adequate
 6 directions for use, and also failed to bear adequate warnings against its use in
 7 those pathological conditions or by children whereby its use might be
 dangerous to health, or against unsafe dosage or methods or duration of
 administration or application.

8 All in violation of Title 21, United States Code, Sections 331(a) and 333(a)(2), and Title
 9 18, United States Code, Section 2.

10 COUNT ELEVEN: (21 U.S.C. §§ 331(a) and 333(a)(2); 18 U.S.C. § 2--Introduction/Delivery
 11 For Introduction of Misbranded Drugs With Intent To Defraud And
 Mislead; Aiding and Abetting)

12 33. On or about July 13, 2002, in San Mateo County, in the Northern District of
 13 California, the defendants

14 VICTOR CONTE, JR.,
 15 JAMES VALENTE, and
 GREG ANDERSON

16 did, with the intent to defraud and mislead, introduce and deliver for introduction into interstate
 17 commerce a drug they described as "The Clear," also known as tetrahydrogestrinone, a/k/a
 18 "THG," which was misbranded:

- 19 a) as defined in 21 U.S.C. § 352(b), in that the drug was in package form and did
 20 not bear a label containing the name and place of business of the manufacturer,
 packer, or distributor; and
- 21 b) as defined in 21 U.S.C. § 352(f), in that its labeling failed to bear adequate
 22 directions for use, and also failed to bear adequate warnings against its use in
 23 those pathological conditions or by children whereby its use might be
 dangerous to health, or against unsafe dosage or methods or duration of
 administration or application.

24 All in violation of Title 21, United States Code, Sections 331(a) and 333(a)(2), and Title
 25 18, United States Code, Section 2.

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COUNT TWELVE: (21 U.S.C. §§ 331(a) and 333(a)(2); 18 U.S.C. § 2--
Introduction/Delivery For Introduction of Misbranded Drugs With Intent
To Defraud And Mislead; Aiding and Abetting)

34. On or about January 1, 2003, in San Mateo County, in the Northern District of
California, the defendants

VICTOR CONTE, JR.,
JAMES VALENTE, and
GREG ANDERSON

did, with the intent to defraud and mislead, introduce and deliver for introduction into interstate
commerce a drug they described as "The Cream," an anabolic steroid in the form of a
testosterone-based cream, which was misbranded:

- a) as defined in 21 U.S.C. § 352(b), in that the drug was in package form and did not bear a label containing the name and place of business of the manufacturer, packer, or distributor; and
- b) as defined in 21 U.S.C. § 352(f), in that its labeling failed to bear adequate directions for use, and also failed to bear adequate warnings against its use in those pathological conditions or by children whereby its use might be dangerous to health, or against unsafe dosage or methods or duration of administration or application.

All in violation of Title 21, United States Code, Sections 331(a) and 333(a)(2), and Title
18, United States Code, Section 2.

COUNT THIRTEEN: (21 U.S.C. §§ 331(a) and 333(a)(2); 18 U.S.C. § 2--Introduction/Delivery
For Introduction of Misbranded Drugs With Intent To Defraud And
Mislead; Aiding and Abetting)

35. On or about January 1, 2003, in San Mateo County, in the Northern District of
California, the defendants

VICTOR CONTE, JR.,
JAMES VALENTE, and
GREG ANDERSON

did, with the intent to defraud and mislead, introduce and deliver for introduction into interstate
commerce a drug they described as "The Clear," also known as tetrahydrogestrinone, a/k/a
"THG," which was misbranded:

- a) as defined in 21 U.S.C. § 352(b), in that the drug was in package form and did not bear a label containing the name and place of business of the manufacturer, packer, or distributor; and
- b) as defined in 21 U.S.C. § 352(f), in that its labeling failed to bear adequate directions for use, and also failed to bear adequate warnings against its use in

those pathological conditions or by children whereby its use might be dangerous to health, or against unsafe dosage or methods or duration of administration or application.

All in violation of Title 21, United States Code, Sections 331(a) and 333(a)(2), and Title 18, United States Code, Section 2.

COUNT FOURTEEN: (21 U.S.C. §§ 331(a) and 333(a)(2); 18 U.S.C. § 2–
Introduction/Delivery For Introduction of Misbranded Drugs With Intent
To Defraud And Mislead; Aiding and Abetting)

36. On or about January 24, 2003, in San Mateo County, in the Northern District of California, the defendants

VICTOR CONTE, JR.,
JAMES VALENTE, and
GREG ANDERSON

did, with the intent to defraud and mislead, introduce and deliver for introduction into interstate commerce a drug described as “The Clear,” also known as tetrahydragestrinone, a/k/a “THG,” which was misbranded:

- a) as defined in 21 U.S.C. § 352(b), in that the drug was in package form and did not bear a label containing the name and place of business of the manufacturer, packer, or distributor; and
- b) as defined in 21 U.S.C. § 352(f), in that its labeling failed to bear adequate directions for use, and also failed to bear adequate warnings against its use in those pathological conditions or by children whereby its use might be dangerous to health, or against unsafe dosage or methods or duration of administration or application.

All in violation of Title 21, United States Code, Sections 331(a) and 333(a)(2), and Title 18, United States Code, Section 2.

COUNT FIFTEEN: (21 U.S.C. §§ 331(a) and 333(a)(2); 18 U.S.C. § 2–
Introduction/Delivery For Introduction of Misbranded Drugs With Intent
To Defraud And Mislead; Aiding and Abetting)

37. On or about March 5, 2003, in San Mateo County, in the Northern District of California, the defendants

VICTOR CONTE, JR.,
JAMES VALENTE, and
GREG ANDERSON

did, with the intent to defraud and mislead, introduce and deliver for introduction into interstate commerce a drug they described as “The Clear,” also known as tetrahydragestrinone, a/k/a

1 "THG," which was misbranded:

- 2 a) as defined in 21 U.S.C. § 352(b), in that the drug was in package form and did
3 not bear a label containing the name and place of business of the manufacturer,
4 packer, or distributor; and
- 5 b) as defined in 21 U.S.C. § 352(f), in that its labeling failed to bear adequate
6 directions for use, and also failed to bear adequate warnings against its use in
those pathological conditions or by children whereby its use might be
dangerous to health, or against unsafe dosage or methods or duration of
administration or application.

7 All in violation of Title 21, United States Code, Sections 331(a) and 333(a)(2), and Title
8 18, United States Code, Section 2.

9 COUNT SIXTEEN: (21 U.S.C. §§ 331(a) and 333(a)(2); 18 U.S.C. § 2--Introduction/Delivery
10 For Introduction of Misbranded Drugs With Intent To Defraud And
Mislead; Aiding and Abetting)

11 38. On or about June 1, 2003, in San Mateo County, in the Northern District of
12 California, the defendants

13 VICTOR CONTE, JR. and
14 JAMES VALENTE

15 did, with the intent to defraud and mislead, introduce and deliver for introduction into interstate
16 commerce a drug they described as "The Cream," an anabolic steroid in the form of a
17 testosterone-based cream, which was misbranded:

- 18 a) as defined in 21 U.S.C. § 352(b), in that the drug was in package form and did
not bear a label containing the name and place of business of the manufacturer,
19 packer, or distributor; and
- 20 b) as defined in 21 U.S.C. § 352(f), in that its labeling failed to bear adequate
21 directions for use, and also did not bear adequate warnings against its use in
those pathological conditions or by children whereby its use might be
22 dangerous to health, or against unsafe dosage or methods or duration of
administration or application.

23 All in violation of Title 21, United States Code, Sections 331(a) and 333(a)(2), and Title
24 18, United States Code, Section 2.

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1 COUNT SEVENTEEN: (21 U.S.C. §§ 331(a) and 333(a)(2); 18 U.S.C. § 2–
 2 Introduction/Delivery For Introduction of Misbranded Drugs
 With Intent To Defraud And Mislead; Aiding and Abetting)

3 39. On or about July 3, 2003, in San Mateo County, in the Northern District of
 4 California, the defendants

5 VICTOR CONTE, JR., and
 6 JAMES VALENTE

7 did, with the intent to defraud and mislead, introduce and deliver for introduction into interstate
 8 commerce a drug they described as “The Clear,” also known as tetrahydragestrinone, a/k/a THG,
 9 which was misbranded:

- 10 a) as defined in 21 U.S.C. § 352(b), in that the drug was in package form and did
 not bear a label containing the name and place of business of the manufacturer,
 11 packer, or distributor; and
- 12 b) as defined in 21 U.S.C. § 352(f), in that its labeling failed to bear adequate
 13 directions for use, and also failed to bear adequate warnings against its use in
 those pathological conditions or by children whereby its use might be
 14 dangerous to health, or against unsafe dosage or methods or duration of
 administration or application.

15 All in violation of Title 21, United States Code, Sections 331(a) and 333(a)(2), and Title
 16 18, United States Code, Section 2.

17 COUNT EIGHTEEN: (21 U.S.C. §§ 331(k) and 333(a)(2); 18 U.S.C. § 2--Misbranding
 Of A Drug While Held For Sale With Intent To Defraud And Mislead;
 Aiding and Abetting)

18 40. On or about April 23, 2001, in San Mateo County, in the Northern District of
 19 California, the defendants

20 VICTOR CONTE, JR.,
 21 JAMES VALENTE, and
 22 REMI KORCHEMNY

23 did, with the intent to defraud and mislead, dispense a prescription drug, specifically, the drug
 24 they described as “The Clear,” also known as tetrahydragestrinone, a/k/a “THG,” to a consumer
 25 without the valid prescription of a licensed practitioner, which is deemed an act which resulted in
 26 the drug being misbranded while held for sale after shipment in interstate commerce pursuant to
 27 21 U.S.C. § 353(b)(1), in violation of Title 21, United States Code, Sections 331(k) and 333(a)(2),
 28 and Title 18, United States Code, Section 2.

COUNT NINETEEN: (21 U.S.C. §§331(k) and 333(a)(2); 18 U.S.C. § 2--Misbranding Of Drug Held For Sale With Intent To Defraud And Mislead; Aiding and Abetting)

41. On or about April 23, 2001, in San Mateo County, in the Northern District of California, the defendants

VICTOR CONTE, JR., and
JAMES VALENTE

did, with the intent to defraud and mislead, dispense a prescription drug, specifically, human growth hormone, a/k/a "HGH," to a consumer without the valid prescription of a licensed practitioner, which is deemed an act which resulted in the drug being misbranded while held for sale after shipment in interstate commerce pursuant to 21 U.S.C. § 353(b)(1), in violation of Title 21, United States Code, Sections 331(k) and 333(a)(2), and Title 18, United States Code, Section 2.

COUNT TWENTY: (21 U.S.C. §§ 331(k) and 333(a)(2); 18 U.S.C. § 2--Misbranding Of a Drug While Held For Sale With Intent To Defraud And Mislead; Aiding and Abetting)

42. On or about April 23, 2001, in San Mateo County, in the Northern District of California, the defendants

VICTOR CONTE, JR.,
JAMES VALENTE, and
REMI KORCHEMNY

did, with the intent to defraud and mislead, dispense a prescription drug, specifically, erythropoietin, a/k/a "EPO," to a consumer without the valid prescription of a licensed practitioner, which is deemed an act which resulted in the drug being misbranded while held for sale after shipment in interstate commerce pursuant to 21 U.S.C. § 353(b)(1), in violation of Title 21, United States Code, Sections 331(k) and 333(a)(2), and Title 18, United States Code, Section 2.

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COUNT TWENTY-ONE: (21 U.S.C. §§ 331(k) and 333(a)(2); 18 U.S.C. § 2--Misbranding
Of a Drug While Held For Sale With Intent To Defraud And
Mislead; Aiding and Abetting)

43. On or about July 23, 2001, in San Mateo County, in the Northern District of
California, the defendants

VICTOR CONTE, JR.,
JAMES VALENTE, and
REMI KORCHEMNY

did, with the intent to defraud and mislead, dispense a prescription drug, specifically, the drug
they described as "The Clear," also known as tetrahydragestrinone, a/k/a "THG," to a consumer
without the valid prescription of a licensed practitioner, which is deemed an act which resulted in
the drug being misbranded while held for sale after shipment in interstate commerce pursuant to
21 U.S.C. § 353(b)(1), in violation of Title 21, United States Code, Sections 331(k) and 333(a)(2),
and Title 18, United States Code, Section 2.

COUNT TWENTY-TWO: (21 U.S.C. §§ 331(k) and 333(a)(2); 18 U.S.C. § 2--Misbranding
Of Drug Held For Sale With Intent To Defraud And Mislead;
Aiding and Abetting)

44. On or about July 23, 2001, in San Mateo County, in the Northern District of
California, the defendants

VICTOR CONTE, JR.,
JAMES VALENTE, and
REMI KORCHEMNY

did, with the intent to defraud and mislead, dispense a prescription drug, specifically,
erythropoietin, a/k/a "EPO," to a consumer without the valid prescription of a licensed
practitioner, which is deemed an act which resulted in the drug being misbranded while held for
sale after shipment in interstate commerce pursuant to 21 U.S.C. § 353(b)(1), in violation of Title
21, United States Code, Sections 331(k) and 333(a)(2), and Title 18, United States Code, Section
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COUNT TWENTY-THREE: (21 U.S.C. §§ 331(k) and 333(a)(2); 18 U.S.C. § 2--Misbranding Of Drug Held For Sale With Intent To Defraud And Mislead; Aiding and Abetting)

45. On or about July 23, 2001, in San Mateo County, in the Northern District of California, the defendants

VICTOR CONTE, JR., and
JAMES VALENTE

did, with the intent to defraud and mislead, dispense a prescription drug, specifically, human growth hormone, a/k/a "HGH," to a consumer without the valid prescription of a licensed practitioner, which is deemed an act which resulted in the drug being misbranded while held for sale after shipment in interstate commerce pursuant to 21 U.S.C. § 353(b)(1), in violation of Title 21, United States Code, Sections 331(k) and 333(a)(2), and Title 18, United States Code, Section 2.

COUNT TWENTY-FOUR: (21 U.S.C. §§ 331(k) and 333(a)(2)--Misbranding of Drugs While Held For Sale With Intent To Defraud And Mislead)

46. On or about November 5, 2001, in San Mateo County, in the Northern District of California, the defendant

GREG ANDERSON

did, with the intent to defraud and mislead, dispense a prescription drug, specifically, human growth hormone, a/k/a "HGH," to a consumer without the valid prescription of a licensed practitioner, which is deemed an act which resulted in the drug being misbranded while held for sale after shipment in interstate commerce pursuant to 21 U.S.C. § 353(b)(1), in violation of Title 21, United States Code, Sections 331(k) and 333(a)(2).

COUNT TWENTY-FIVE: (21 U.S.C. §§ 331(k) and 333(a)(2); 18 U.S.C. § 2--Misbranding Of Drug While Held For Sale With Intent To Defraud And Mislead; Aiding and Abetting)

47. On or about December 1, 2001, in San Mateo County, in the Northern District of California, the defendants

VICTOR CONTE, JR.,
JAMES VALENTE, and
REMI KORCHEMNY

did, with the intent to defraud and mislead, dispense a prescription drug, specifically, the drug they described as "The Clear," also known as tetrahydrogestrinone, a/k/a "THG," to a consumer

without the valid prescription of a licensed practitioner, which is deemed an act which resulted in the drug being misbranded while held for sale after shipment in interstate commerce pursuant to 21 U.S.C. § 353(b)(1), in violation of Title 21, United States Code, Sections 331(k) and 333(a)(2), and Title 18, United States Code, Section 2.

COUNT TWENTY-SIX: (21 U.S.C. §§ 331(k) and 333(a)(2); 18 U.S.C. § 2--Misbranding Of Drug While Held For Sale With Intent To Defraud And Mislead; Aiding and Abetting)

48. On or about December 1, 2001, in San Mateo County, in the Northern District of California, the defendants

VICTOR CONTE, JR.,
JAMES VALENTE, and
REMI KORCHEMNY

did, with the intent to defraud and mislead, dispense a prescription drug, specifically, the drug they described as "The Cream," an anabolic steroid in the form of a testosterone-based cream, to a consumer without the valid prescription of a licensed practitioner, which is deemed an act which resulted in the drug being misbranded while held for sale after shipment in interstate commerce pursuant to 21 U.S.C. § 353(b)(1), in violation of Title 21, United States Code, Sections 331(k) and 333(a)(2), and Title 18, United States Code, Section 2.

COUNT TWENTY-SEVEN: (21 U.S.C. §§ 331(k) and 333(a)(2); 18 U.S.C. § 2--Misbranding Of a Drug While Held For Sale With Intent To Defraud And Mislead; Aiding and Abetting)

49. On or about June 11, 2002, in San Mateo County, in the Northern District of California, the defendants

VICTOR CONTE, JR.,
JAMES VALENTE, and
REMI KORCHEMNY

did, with the intent to defraud and mislead, dispense a prescription drug, specifically, modafinil, to a consumer without the valid prescription of a licensed practitioner, which is deemed an act which resulted in the drug being misbranded while held for sale after shipment in interstate commerce pursuant to 21 U.S.C. § 353(b)(1), in violation of Title 21, United States Code, Sections 331(k) and 333(a)(2), and Title 18, United States Code, Section 2.

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COUNT TWENTY-EIGHT: (21 U.S.C. §§ 331(k) and 333(a)(2), and 18 U.S.C. § 2–
Misbranding Of a Drug While Held For Sale With Intent To
Defraud And Mislead; Aiding and Abetting)

50. On or about September 1, 2002, in San Mateo County, in the Northern District of
California, the defendants

VICTOR CONTE, JR.,
JAMES VALENTE, and
REMI KORCHEMNY

did, with the intent to defraud and mislead, dispense a prescription drug, specifically, the drug
they described as “The Cream,” an anabolic steroid in the form of a testosterone-based cream, to
a consumer without the valid prescription of a licensed practitioner, which is deemed an act which
resulted in the drug being misbranded while held for sale after shipment in interstate commerce
pursuant to 21 U.S.C. § 353(b)(1), in violation of Title 21, United States Code, Sections 331(k)
and 333(a)(2), and Title 18, United States Code, Section 2.

COUNT TWENTY-NINE: (21 U.S.C. §§331(k) and 333(a)(2)--Misbranding of a Drug While
Held For Sale With Intent To Defraud And Mislead)

51. On or about November 25, 2002, in San Mateo County, in the Northern District of
California, the defendant

GREG ANDERSON

did, with the intent to defraud and mislead, dispense a prescription drug, specifically, human
growth hormone, a/k/a “HGH,” to a consumer without the valid prescription of a licensed
practitioner, which is deemed an act which resulted in the drug being misbranded while held for
sale after shipment in interstate commerce pursuant to 21 U.S.C. § 353(b)(1), in violation of Title
21, United States Code, Sections 331(a) and 333(a)(2).

COUNT THIRTY: (21 U.S.C. §§ 331(k) and 333(a)(2); 18 U.S.C. § 2--Misbranding Of
A Drug While Held For Sale With Intent To Defraud And Mislead;
Aiding and Abetting)

52. On or about June 1, 2003, in San Mateo County, in the Northern District of
California, the defendants

VICTOR CONTE, JR.,
JAMES VALENTE, and
REMI KORCHEMNY

did, with the intent to defraud and mislead, dispense a prescription drug, specifically,

erythropoietin, a/k/a "EPO," to a consumer without the valid prescription of a licensed practitioner, which is deemed an act which resulted in the drug being misbranded while held for sale after shipment in interstate commerce pursuant to 21 U.S.C. § 353(b)(1), in violation of Title 21, United States Code, Sections 331(a) and 333(a)(2), and Title 18, United States Code, Section 2.

COUNT THIRTY-ONE: (21 U.S.C. §§ 331(k) and 333(a)(2); 18 U.S.C. § 2--Misbranding of A Drug While Held for Sale With Intent To Defraud And Mislead; Aiding and Abetting)

53. On or about July 3, 2003, in San Mateo County, in the Northern District of California, the defendants

VICTOR CONTE, JR.,
JAMES VALENTE, and
GREG ANDERSON

did, with the intent to defraud and mislead, dispense a prescription drug, specifically, modafinil, to a consumer without the valid prescription of a licensed practitioner, which is deemed an act which resulted in the drug being misbranded while held for sale after shipment in interstate commerce pursuant to 21 U.S.C. § 353(b)(1), in violation of Title 21, United States Code, Sections 331(k) and 333(a)(2), and Title 18, United States Code, Section 2.

COUNT THIRTY-TWO: (21 U.S.C. § 333(e)(1); 18 U.S.C. § 2-- Possession With Intent To Distribute Human Growth Hormone For Unauthorized Uses; Aiding and Abetting)

54. On or about April 23, 2001, in San Mateo County, in the Northern District of California, the defendants

VICTOR CONTE, JR., and
JAMES VALENTE

did knowingly possess with intent to distribute human growth hormone, a/k/a "HGH," for a use in humans other than the treatment of a disease or other recognized medical condition, where such use had been authorized by the Secretary of Health and Human Services, and pursuant to the order of a physician, in violation of Title 21, United States Code, Section 333(e)(1), and Title 18, United States Code, Section 2.

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1 COUNT THIRTY-THREE: (21 U.S.C. § 333(e)(1); 18 U.S.C. § 2-- Possession With Intent To
2 Distribute Human Growth Hormone For Unauthorized Uses;
Aiding and Abetting)

3 55. On or about July 23, 2001, in San Mateo County, in the Northern District of
4 California, the defendants

5 VICTOR CONTE, JR., and
6 JAMES VALENTE

7 did knowingly possess with intent to distribute human growth hormone, a/k/a "HGH," for a use in
8 humans other than the treatment of a disease or other recognized medical condition, where such
9 use had been authorized by the Secretary of Health and Human Services, and pursuant to the order
10 of a physician, in violation of Title 21, United States Code, Section 333(e)(1), and Title 18,
United States Code, Section 2.

11 COUNT THIRTY-FOUR: (21 U.S.C. § 333(e)(1)-- Possession With Intent To Distribute
12 Human Growth Hormone For Unauthorized Uses)

13 56. On or about November 5, 2001, in San Mateo County, in the Northern District of
14 California, the defendant

15 GREG ANDERSON

16 did knowingly possess with intent to distribute human growth hormone, a/k/a "HGH," for a use in
17 humans other than the treatment of a disease or other recognized medical condition, where such
18 use had been authorized by the Secretary of Health and Human Services, and pursuant to the order
19 of a physician, in violation of Title 21, United States Code, Section 333(e)(1).

20 COUNT THIRTY-FIVE: (21 U.S.C. § 333(e)(1)-- Possession With Intent to Distribute Human
21 Growth Hormone For Unauthorized Uses)

22 57. On or about November 25, 2002, in San Mateo County, in the Northern District
23 of California, the defendant

24 GREG ANDERSON

25 did knowingly possess with intent to distribute human growth hormone, a/k/a "HGH," for a use in
26 humans other than the treatment of a disease or other recognized medical condition, where such
27 use had been authorized by the Secretary of Health and Human Services, and pursuant to the order
28 of a physician, in violation of Title 21, United States Code, Section 333(e)(1).

COUNT THIRTY-SIX: (18 U.S.C. § 1956(h)--Conspiracy to Launder Monetary Instruments)

58. The allegations contained in paragraphs One through Twelve and Counts One through Seven of this Indictment are realleged and incorporated herein.

59. On or about and between December 1, 2001, and September 3, 2003, in San Mateo County, in the Northern District of California, and elsewhere, the defendants

VICTOR CONTE, JR.,
JAMES VALENTE, and
GREG ANDERSON,

and others known and unknown to the Grand Jury, did knowingly and intentionally conspire to conduct financial transactions affecting interstate commerce which in fact involved the proceeds of specified unlawful activity, that is, a conspiracy to distribute and possess with intent to distribute anabolic steroids, a controlled substance, in violation of Title 21, United States Code, Section 846, knowing that the transactions were designed at least in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of the specified unlawful activity, while knowing that the money involved in such financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

MANNER AND MEANS OF THE CONSPIRACY

60. The manner and means by which the conspiracy was carried out included the following:

a. From on or about December 1, 2001 through September 3, 2003, the defendants engaged in specified unlawful activity, to wit, conspiring to distribute and possess with intent to distribute anabolic steroids, as charged in Count One of the Indictment.

b. In order to conceal the proceeds of their unlawful activity, the defendants: (i) segregated proceeds derived from the sale of anabolic steroids from normal business proceeds by placing the criminal proceeds into a personal bank account; and (ii) used a third party to negotiate checks written as payment for the purchase of anabolic steroids, rather than depositing the checks as normal business proceeds.

OVERT ACTS IN FURTHERANCE OF THE CONSPIRACY

61. In furtherance of the conspiracy and to attain its ends, the defendants committed the following overt acts, among others, in the Northern District of California and elsewhere:

a. On or about March 13, 2002, in San Mateo County, defendant Conte deposited a check in the amount of \$950 from a track and field athlete into his personal checking account.

b. On or about June 4, 2002, in San Mateo County, defendant Conte deposited a check in the amount of \$960 from a track and field athlete into his personal checking account.

c. On or about August 20, 2002, in San Mateo County, defendant Conte deposited a check in the amount of \$1,700 from a professional football player into his personal checking account.

d. On or about September 27, 2002, in San Mateo County, defendant Conte deposited a check in the amount of \$1,250 from a professional football player into his personal checking account.

e. On or about December 5, 2002, in San Mateo County, defendant Anderson caused another individual to cash a check in the amount of \$1,000 from a professional baseball player.

f. On or about December 17, 2002, in San Mateo County, defendant Anderson caused another individual to cash a check in the amount of \$730 from a professional baseball player.

g. On or about March 13, 2003, in San Mateo County, defendant Conte deposited a check in the amount of \$300 from a track and field athlete into his personal checking account.

h. On or about April 8, 2003, defendant Anderson caused another individual to cash a check in the amount of \$1,200 from a professional baseball player.

All in violation of Title 18, United States Code, Section 1956(h).

1 COUNT THIRTY-SEVEN: (18 U.S.C. §§ 1956(a)(1)(B)(i) and 2--Money Laundering;
2 Aiding and Abetting)

3 62. Paragraphs One through Twelve, and Count One of this Indictment, are hereby
4 realleged and incorporated by reference as though fully set forth herein.

5 63. On or about June 4, 2002, in San Mateo County, in the Northern District of
6 California, the defendants

7 VICTOR CONTE, JR., and
8 JAMES VALENTE

9 did knowingly conduct a financial transaction affecting interstate commerce, to wit: by depositing
10 a check in the amount of \$960 into defendant Conte's personal checking account, which in fact
11 involved the proceeds of a specified unlawful activity, that is, the conspiracy to distribute and
12 possess with intent to distribute anabolic steroids as set forth in Count One, knowing that the
13 transaction was designed at least in part to conceal and disguise the nature, location, source,
14 ownership, and control of the proceeds of the specified unlawful activity, while knowing that the
15 money involved in such financial transaction represented the proceeds of some form of unlawful
16 activity, in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.

17 COUNT THIRTY-EIGHT: (18 U.S.C. §§ 1956(a)(1)(B)(i) and 2--Money Laundering;
18 Aiding and Abetting)

19 64. Paragraphs One through Twelve, and Count One of this Indictment, are hereby
20 realleged and incorporated by reference as though fully set forth herein.

21 65. On or about August 20, 2002, in San Mateo County, in the Northern District of
22 California, the defendants

23 VICTOR CONTE, JR., and
24 JAMES VALENTE

25 did knowingly conduct a financial transaction affecting commerce, to wit: by depositing a check
26 in the amount of \$1,700 into defendant Conte's personal checking account, which in fact involved
27 the proceeds of a specified unlawful activity, that is, the conspiracy to distribute and possess with
28 intent to distribute anabolic steroids as set forth in Count One, knowing that the transaction was
designed at least in part to conceal and disguise the nature, location, source, ownership, and
control of the proceeds of the specified unlawful activity, while knowing that the money involved

1 in such financial transaction represented the proceeds of some form of unlawful activity, in
 2 violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.

3 COUNT THIRTY-NINE: (18 U.S.C. §§ 1956(a)(1)(B)(i) and 2--Money Laundering;
 4 Aiding and Abetting)

5 66. Paragraphs One through Twelve, and Count One of this Indictment, are hereby
 6 realleged and incorporated by reference as though fully set forth herein.

7 67. On or about September 27, 2002, in San Mateo County, in the Northern District of
 8 California, the defendants

9 VICTOR CONTE, JR., and
 JAMES VALENTE

10 did knowingly conduct a financial transaction affecting interstate commerce, to wit: by depositing
 11 a check in the amount of \$1,250 into defendant Conte's personal checking account, which in fact
 12 involved the proceeds of a specified unlawful activity, that is, the conspiracy to distribute and
 13 possess with intent to distribute anabolic steroids as set forth in Count One, knowing that the
 14 transaction was designed at least in part to conceal and disguise the nature, location, source,
 15 ownership, and control of the proceeds of the specified unlawful activity, while knowing that the
 16 money involved in such financial transaction represented the proceeds of some form of unlawful
 17 activity, in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.

18 COUNT FORTY: (18 U.S.C. §§ 1956(a)(1)(B)(i) and 2; – Money Laundering;
 19 Willfully Causing)

20 68. Paragraphs One through Twelve, and Count One of this Indictment, are hereby
 21 realleged and incorporated by reference as though fully set forth herein.

22 69. On or about December 5, 2002, in San Mateo County, in the Northern District of
 23 California, the defendant

24 GREG ANDERSON

25 did knowingly conduct a financial transaction affecting interstate commerce, to wit: by willfully
 26 causing another individual to cash a check in the amount of \$1,000, which in fact involved the
 27 proceeds of a specified unlawful activity, that is, the conspiracy to distribute and possess with
 28 intent to distribute anabolic steroids as set forth in Count One, knowing that the transaction was
 designed at least in part to conceal and disguise the nature, location, source, ownership, and

control of the proceeds of the specified unlawful activity, while knowing that the money involved in such financial transaction represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.

COUNT FORTY-ONE: (18 U.S.C. §§ 1956(a)(1)(B)(i) and 2– Money Laundering; Willfully Causing)

70. Paragraphs One through Twelve, and Count One of this Indictment, are hereby realleged and incorporated by reference as though fully set forth herein.

71. On or about December 17, 2002, in San Mateo County, in the Northern District of California, the defendant

GREG ANDERSON

did knowingly conduct a financial transaction affecting interstate commerce, to wit: by willfully causing another individual to cash a check in the amount of \$730, which in fact involved the proceeds of a specified unlawful activity, that is, the conspiracy to distribute and possess with intent to distribute anabolic steroids as set forth in Count One, knowing that the transaction was designed at least in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of the specified unlawful activity, while knowing that the money involved in such financial transaction represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.

COUNT FORTY-TWO: (18 U.S.C. §§ 1956(a)(1)(B)(i) and 2– Money Laundering; Willfully Causing)

72. Paragraphs One through Twelve, and Count One of this Indictment, are hereby realleged and incorporated by reference as though fully set forth herein.

73. On or about April 8, 2003, in San Mateo County, in the Northern District of California, the defendant

GREG ANDERSON

did knowingly conduct a financial transaction affecting interstate commerce, to wit: by causing another individual to cash a check in the amount of \$1,200, which in fact involved the proceeds of a specified unlawful activity, that is, the conspiracy to distribute and possess with intent to distribute anabolic steroids as set forth in Count One, knowing that the transaction was designed

at least in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of the specified unlawful activity, while knowing that the money involved in such financial transaction represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i).

CRIMINAL FORFEITURE ALLEGATION: (21 U.S.C. §§ 853 and 881(a)--Drug Forfeiture)

74. The allegations contained in paragraphs One through Twelve and Counts One through Seven of this Indictment are realleged and incorporated herein.

75. As a result of the offenses alleged in Counts One through Seven above, defendants

VICTOR CONTE, JR.
JAMES VALENTE,
GREG ANDERSON, and
REMI KORCHEMNY

shall forfeit to the United States all right, title and interest in property constituting and derived from any proceeds, the defendants obtained, directly or indirectly, as a result of said violations, and any property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of the said violations, including but not limited to the following property:

- a. approximately \$63,920 in United States currency seized at the residence of Greg Anderson on September 3, 2003;
- b. a sum of money equal to the total amount of proceeds defendants derived from the commission of said offenses.

76. If, as a result of any act or omission of the defendant, any of said property

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

any and all interest defendants have in any other property (not to exceed the value of the above forfeitable property) shall be forfeited to the United States.

All in violation of Title 21, United States Code, Sections 853(a)(1), (p), and 881(a) and

1 Rule 32.2 of the Federal Rules of Criminal Procedure.

2 CRIMINAL FORFEITURE ALLEGATION : (18 U.S.C. § 982--Money Laundering Forfeiture)

3 77. The allegations contained in paragraphs One through Twelve and Counts Thirty-Six
4 through Forty-two of this Indictment are realleged and incorporated herein.

5 78. As a result of a conviction of the offenses alleged in Counts Thirty-Six through Forty-
6 Two above, the defendants

7 VICTOR CONTE JR.,
8 JAMES VALENTE, and
9 GREG ANDERSON

10 shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), all
11 right, title and interest in property, real and personal, involved in said violation, or any property
12 traceable to such property, including but not limited to the following:

- 13 a. all commissions, fees and other property constituting proceeds of said offense;
- 14 b. all property used in any manner to commit or facilitate the commission of said
15 offense;
- 16 c. a sum of money equal to the total amount of money involved in the
17 commission of said offense.

18 79. If, as a result of any act or omission of the defendants, any of said property

- 19 a. cannot be located upon the exercise of due diligence;
- 20 b. has been transferred or sold to or deposited with, a third person;
- 21 c. has been placed beyond the jurisdiction of the Court;
- 22 d. has been substantially diminished in value; or
- 23 e. has been commingled with other property which cannot be divided without
24 difficulty;

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any and all interest defendants have in any other property, up to value of the property described in paragraph 2 above, shall be forfeited to the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1).

All in violation of Title 18, United States Code, Sections 982, 1956(h), and Rule 32.2 of the Federal Rules of Criminal Procedure.

DATED:

A TRUE BILL.

2/12/04

Ramette
FOREPERSON

KEVIN V. RYAN
United States Attorney

Ross W. Nadell
ROSS W. NADEL
Chief, Criminal Division

(Approved as to form: JPN)

AUSA NEDROW